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DEPARTMENT OF COMMERCE

International Trade Administration

C-560-829

Certain Uncoated Paper from Indonesia: Preliminary Results of Countervailing Duty Administrative Review; 2015-2016

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that countervailable subsidies are being provided to producers and exporters of certain uncoated paper from Indonesia. The period of review is June 29, 2015, through December 31, 2016.

Interested parties are invited to comment on these preliminary results.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: David Goldberger or Darla Brown, Office II, AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4136 or (202) 482-1791, respectively.

SUPPLEMENTARY INFORMATION:

Background

Commerce published the notice of initiation of this administrative review on May 9, 2017.¹ On November 6, 2017, Commerce postponed the preliminary results of this review until

¹ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 82 FR 21513 (May 9, 2017) (*Initiation Notice*).

April 2, 2018.² Commerce exercised its discretion to toll all deadlines affected by the closure of the Federal Government from January 20 through January 22, 2018. As a result, the revised deadline for the preliminary results of this review is now April 3, 2018.³ For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.⁴

Period of Review

According to section 351.213(e)(2)(ii) of Commerce's regulations, the first administrative review of a countervailing duty order should cover the period from the initial date of suspension of liquidation of the subject merchandise to the end of the most recently completed calendar or fiscal year. In this case, suspension of liquidation began on June 29, 2015.⁵ Therefore, the period of review (POR) for which we are measuring countervailable subsidies is from June 29, 2015 through December 31, 2016.

Because it is Commerce's practice to calculate subsidy rates on an annual basis, we calculated a 2015 rate and a 2016 rate. The rate calculated for 2015 will be applicable only to entries, or withdrawals from warehouse, for consumption made on and after June 29, 2015 through the end of 2015.

² See Memorandum, "Certain Uncoated Paper from Indonesia: Extension of Deadline for Preliminary Results of 2015-2016 Countervailing Duty Administrative Review," dated November 6, 2017.

³ See Memorandum, "Deadlines Affected by the Shutdown of the Federal Government," dated January 23, 2018. All deadlines in this segment of the proceeding have been extended by three days.

⁴ See Memorandum, "Decision Memorandum for the Preliminary Results of Countervailing Duty Administrative Review: Certain Uncoated Paper from Indonesia; 2015-2016," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁵ See *Certain Uncoated Paper from Indonesia: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination With Final Antidumping Determination*, 80 FR 36971 (June 29, 2016).

Scope of the Order

The products covered by the order are certain uncoated paper from Indonesia. A full description of the scope of the order is contained in the Preliminary Decision Memorandum, which is hereby adopted by this notice.⁶

Methodology

Commerce is conducting this countervailing duty (CVD) review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, Commerce preliminarily determines that there is a subsidy, *i.e.*, a financial contribution by an “authority” that gives rise to a benefit to the recipient, and that the subsidy is specific.⁷ For a full description of the methodology underlying our preliminary conclusions, *see* the Preliminary Decision Memorandum.⁸ The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>, and is available to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and electronic versions of the Preliminary Decision Memorandum are identical in content.

Preliminary Results of the Review

As a result of this review, we preliminarily determine that the following estimated countervailable subsidy rates for 2015 and 2016 exist:

⁶ *Id.*

⁷ *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

⁸ A list of topics discussed in the Preliminary Decision Memorandum can be found in Appendix I to this notice.

Company	2015 <i>Ad Valorem</i> Rate	2016 <i>Ad Valorem</i> Rate
APRIL Fine Paper Macao Commercial Offshore Limited/PT Anugrah Kertas Utama/PT Riau Andalan Kertas/PT Intiguna Primatama/PT Riau Andalan Pulp & Paper/PT Esensindo Cipta Cemerlang/PT Sateri Viscose International/ PT ITCI Hutani Manunggal	15.09%	4.13%

Assessment Rates

Upon issuance of the final results, Commerce shall determine, and U.S. Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries covered by this review. We intend to issue assessment instructions to CBP 15 days after publication of the final results of this review.

Cash Deposit Requirements

Pursuant to section 751(a)(2)(C) of the Act, Commerce also intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amount calculated for 2016. For all non-reviewed firms, we will instruct CBP to collect cash deposits of estimated countervailing duties at the most recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Disclosure and Public Comment

Commerce intends to disclose to interested parties the calculations and analysis performed in connection with this preliminary results within five days of publication of this notice in the *Federal Register*.⁹ Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance no later than seven days after the date on

⁹ See 19 CFR 351.224(b).

which the last verification report is issued in this proceeding.¹⁰ Rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than five days after the deadline date for case briefs.¹¹ Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs in this review are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce within 30 days after the date of publication of this notice. Requests should contain the party's name, address, and telephone number, the number of participants, whether any participant is a foreign national, and a list of the issues to be discussed. If a request for a hearing is made, Commerce intends to hold the hearing at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, at a time and date to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

Unless the deadline is extended pursuant to section 751(a)(3)(A) of the Act, we intend to issue the final results of this administrative review, including the results of our analysis of the issues raised by the parties in their comments, within 120 days after issuance of these preliminary results.

Notification to Interested Parties

These preliminary results are issued and published pursuant to sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221(b)(4).

¹⁰ See 19 CFR 351.309(c)(1)(ii).

¹¹ See 19 CFR 351.309; *see also* 19 CFR 351.303 (for general filing requirements).

Gary Taverman
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations,
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance

Dated: April 3, 2018

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Subsidies Valuation Information
- V. Analysis of Programs
 - a. Programs Preliminarily Determined To Be Countervailable
 - i. Provision of Standing Timber for Less Than Adequate Remuneration (LTAR)
 - ii. Government Prohibition of Log Exports
 - iii. Exemption from Import Income Tax Withholding for Companies in Bonded Zone Locations
 - b. Program Preliminarily Determined Not To Confer Benefits
 - i. Preferential Lending to RAPP and RAK
 - c. Program Preliminarily Determined To Not Be Countervailable
 - i. Tax Amnesty Program
 - d. Programs Preliminarily Determined To Not Be Used
 - i. Debt Forgiveness through the Indonesian Government's Acceptance of Financial Instruments with No Market Value
 - ii. Debt Forgiveness through Asia Pulp and Paper/Sinar Mas Group's (APP/SMG) Buyback of Its Own Debt from the GOI
 - iii. Export Financing from Export-Import Bank of Indonesia
 - iv. Export Credit Insurance
 - v. Export Credit Guarantees
 - vi. Tax Incentives for Investment in Specified Business Lines and/or in Specified Regions by Indonesia's Investment Coordinating Board (BKPM) – Corporate Income Tax Deduction
 - vii. Tax Incentives for Investment in Specified Business Lines and or in Specified Regions by the BKPM – Accelerated Depreciation and Amortization
 - viii. Tax Incentives for Investment in Specified Business Lines and or in Specified Regions by the BKPM – Extension of Loss Carry-Forwards
 - ix. Preferential Treatment for Bonded Zone Locations
 - 1. Waiver of License and Fee Requirements
 - 2. Exemption from Sales Taxes for Capital Goods and Equipment Used to Produce Exports

VI. Recommendation

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